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PROSPECTUS.



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PROSPECTUS

The Lake Harold Gold Mines Company

(LIMITED)

NON-PERSONAL LIABILITY

Being incorporated under the Ontario Joint Stock Companies Act and the Mines Act.

DIRECTORS.

F. E. GIBBS, Dominion Grain Inspector, Port Arthur.
ROBERT DAVIES, Dominion Brewery Company, Toronto.
C. H. RITCHIE, Q.C., Toronto.
C. W. SPENCER, Gen. Supt. Eastern Div. C.P.R., Montreal.
W. H. PLUMMER, Merchant, Sault Ste. Marie, Ont.
JOCELYN COTTERILL, London, Eng.
JOSEPH G. KING, Warehouseman, Port Arthur.
W. H. LAIRD, New York.

HAROLD A. WILEY, Sec'y-Treas., Port Arthur.

DISPOSITION OF SHARES.

Shares issued to present owners	300,000
" to be now sold at 15 cents on the dollar	300,000
" unissued	400,000
	<hr/>
	1,000,000

STOCK TRANSFER OFFICE.

TORONTO GENERAL TRUSTS COMPANY, TORONTO.

BANKERS.

ONTARIO BANK, PORT ARTHUR.

SOLICITORS.

BLAKE, LASH & CASSELS,
TORONTO.

BROKERS.

ÆMILIUS JARVIS & CO.,
TORONTO.

PROSPECTS

The Lake Huron Gold Mines Company

INCORPORATED IN CANADA

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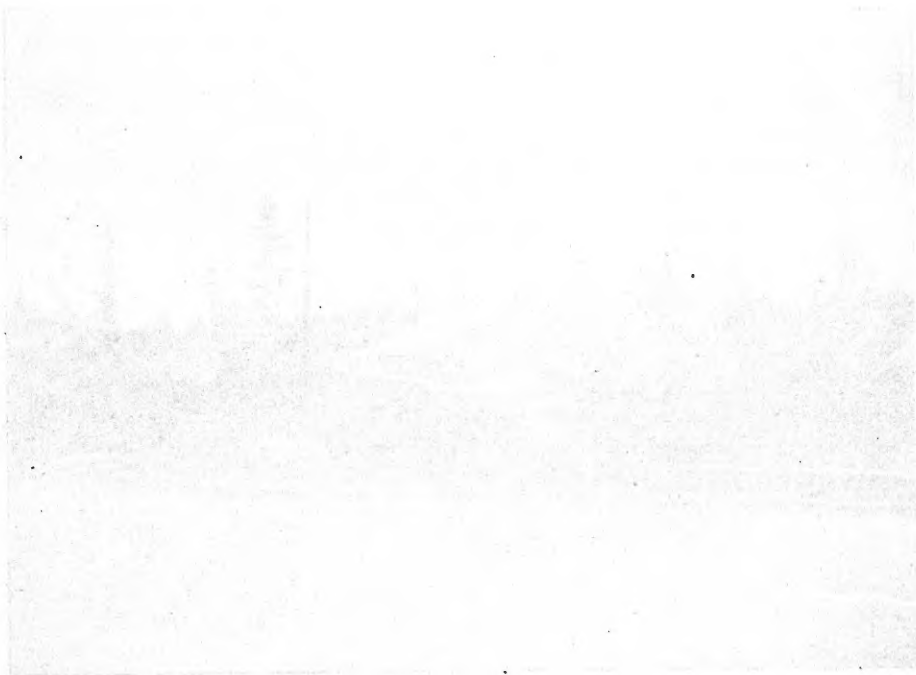
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LAKE HAROLD GOLD MILL, SUPERINTENDENT'S CAMP, AND TRAMWAY.



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Lake Harold Gold Mines Company.

NON-PERSONAL LIABILITY.



THIS Company is being incorporated under the Ontario Joint Stock Companies Act and the Mines Act, application having been made through Messrs. BLAKE, LASH & CASSELS, and it is expected that the charter will be issued in a few days.

PRESENT POSITION AND BASIS OF PURCHASE.

The mine is at present owned by a syndicate of six Port Arthur gentlemen, who have spent \$27,000 in machinery and development, and have thoroughly proved the value of the location.

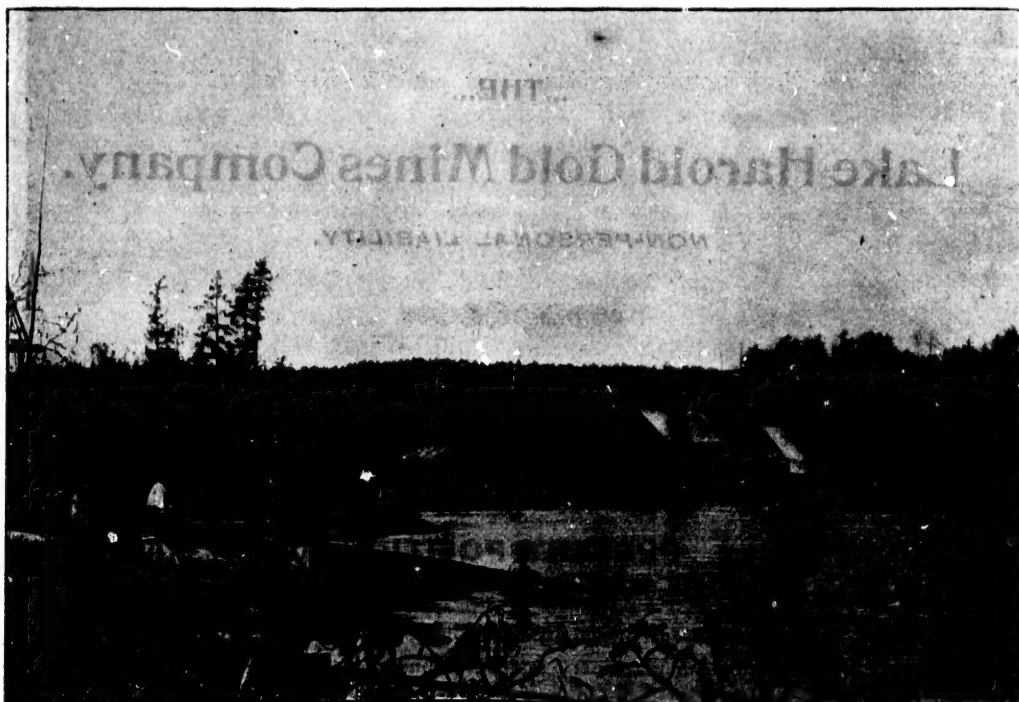
The property, however, requires more capital to thoroughly develop its resources and carry on its operations in the most economical manner, to provide which a company has been formed, which is to purchase the mine, machinery and all the properties owned by the present owners in connection therewith, for 300,000 shares of fully-paid stock.

As the owners have already spent \$27,000 in development and plant, the difference between this sum and the value of 300,000 shares at 15 cents (\$45,000) means paying \$18,000 for the location, so that their interest will represent 300,000 shares at 15 cents, or \$45,000.

SHARES OFFERED THE PUBLIC.

The public are now invited to purchase another 300,000 shares of as yet unissued stock at 15 cents, equalling \$45,000, or an equal interest with the present owners.

The funds derived from the sale of these 300,000 shares are to be devoted to the further development of the mine and for the purchase of what machinery, pumps, power drills, etc., the Directors may deem necessary; also for defraying the legal expenses and cost of obtaining the charter, and for other purposes.



BOARDING HOUSE, STABLE AND STORES, LAKE HAROLD.

STOCK POOLED.

The stock of the present owners has been pooled in the name of a trustee and cannot be sold at any price till 1st March, 1897, and never under 15 cents until after 31st December, 1897.

The present owners will be represented on the Board by two of their number, Messrs. F. E. Gibbs and W. H. Laird.

LOCATION.

The property is known as mining location No. 219. It has an area of 76 acres and is situated on the west side of Lake Harold, about two miles north of the Seine River in the District of Rainy River, in the Province of Ontario. The title is in fee simple and issued under the Torrens System. The present owners have options to three adjoining locations, Nos. A L 192 and 193 and 221 X, all their right of title to which will be transferred to the Company, to be exercised or not at the discretion of the Directors.

PLANT.

On the property is a Fraser & Chalmers mill, having the ordinary rock breakers, Frue vanners, etc. Five stamps have been set up; the other five stamps are in Port Arthur and will be transported as soon as winter sets in. There are also offices, boarding house, store houses, stables, saw mill, etc., and full equipment of mining material, dynamite, mercury, tools and everything necessary to carry on operations, with the exception of a larger steam pump, and it would also be advisable to add a compressor plant so that the drilling may be done by machinery instead of by hand. Sufficient provisions and supplies are on hand to furnish the mine until winter sets in. There is also a tramway, connecting the mines and the mill, nearly half a mile in length.

VEINS.

There are at least half a dozen gold-bearing veins on the property, all of which have been tested, some with most satisfactory and gratifying results. This, however, is fully set out in the report of Mr. J. H. Chewett, who visited the property in September last, making a thorough examination of the different veins.

DEVELOPMENT.

No. 1 Vein is 1 to 2 feet in width. A drift has been driven 60 feet, and a shaft below to a depth of 17 feet.

No. 2 Vein is 2 to 3 feet wide. A drift is driven 140 feet, and the vein stoped above it to a height of 20 feet. A shaft is sunk below to a depth of 50 feet.

Tram Vein is 2 to 3 feet wide, with a shaft sunk to a depth of 40 feet, showing a well defined vein all the way down.

Stope Vein is 1 to 2 feet wide, and had been stoped from the surface down to a depth of 20 to 30 feet.

Shore Vein is 5 to 14 inches wide, with a shaft sunk to a depth of 50 feet, with a drift of 40 feet.

Owing to the inadequate pumping machinery, several of these shafts have become filled with water; but no trouble is anticipated in keeping them clear, once proper pumping plant is in place.

TRANSPORTATION.

Supplies can be transported to the mine and communication carried on during the summer months by canoes and voyageurs. This is more expensive than transportation in the winter season, when it can be done for a cost not exceeding \$15 per ton. To secure this saving in transportation, sufficient supplies should be taken in before the 1st April, to last until the ensuing December; the saving in carriage makes this an economy.



No. 2 VEIN, LAKE HAROLD.

COST OF MINING.

Owing to the character of the ore—it being from 80 to 90% free milling, the product of which can be turned into *bullion* at the mine—the cost of mining in north-western Ontario is probably as low as in any gold mining country in the world. Ordinary labor can be had from \$1.50 to \$2.00 per day; skilled miners from \$2.00 to \$2.50; other labor in the same proportion.

Fuel in the shape of wood can be delivered at the mines or at the mill for from \$1.25 to \$1.50 per cord, which is equal to coal at \$2.50 to \$3.00 per ton. There is also plenty of timber in the neighborhood suitable for building, and for timbering the mine, or for any other purpose for which it may be required. This can be delivered for the cost of cutting and hauling, and can be manufactured at the saw mill for the cost of labor. Water is in abundance.

Mr. Chewett, in his report, states that taking the whole mill run at an average of **\$13.00** per ton, that the margin of profit should be **\$7.00** per ton net. With a mill capacity of 25 tons per day—the average of a ten stamp mill—this represents a profit of **\$175.00** per day, or about **\$50,000** a year, but it is confidently expected that the ore will become richer as greater depth is obtained, and that with

the new development mining can be carried on on a much more economical basis, thereby reducing the cost of production and **increasing the profits.**

Sufficient money has been spent on this location to put it beyond the "prospect class" into that of a MINE, and also to entitle it to be listed on the Toronto Stock Exchange.

Professor Coleman, in Bulletin No. 1, issued on October 18th, 1896, and Professor Bell, of the Geological Survey of Canada, in a recent letter to *The Canadian Mining Review*, both speak in the highest terms of the Lake Harold location and the richness of its gold-bearing veins.

POINTS TO BE CONSIDERED IN THIS ENTERPRISE.

The incorporation is under the laws of the Province of Ontario.

Shares sold at a discount are non-assessable and free from personal liability.

The Directors are responsible and representative persons, all, except the two representing the present owners, coming in under the basis set out in this Prospectus.

The Company's shares will be listed on the Toronto Stock Exchange.

The basis of capitalization is fair and equitable.

The shares of the present owners cannot be sold in competition or under the price at which these shares are offered to the public.

STOCK SUBSCRIPTION BOOKS.

As all the regulations and requirements called for by the Toronto Stock Exchange to establish the bona fides of a mining enterprise are being complied with, application will be made at an early date to have the stock listed; meanwhile **STOCK SUBSCRIPTION BOOKS** will be opened at noon of **14th of December, 1896**, at the office of **ÆMILIUS JARVIS & CO.**, Toronto, for 300,000 shares at 15c. on the dollar.

Shares to be allotted in the order subscriptions are received.



THE BIG VEIN, LAKE HAROLD.

IN CONCLUSION.

we have to say that we have taken every precaution to guard the interests of the investor, both by having the property reported upon by an expert of our own selection, in whom we have every confidence, and in drawing our agreement with the present owners we have placed ourselves in the position of purchasers, dealing with the subject entirely from that standpoint. A copy of our expert's report on the mine and of the agreement with the owners may be seen at our office.

It must be borne in mind, however, that all mining investments are of a speculative character, but in this case the risk has been minimized to as small a degree as possible.

ÆMILIUS JARVIS & CO.

J. H. CHEWETT, B.A.Sc., C.E.

Mining Engineer

ASSOCIATE MEMBER CANADIAN SOCIETY
OF CIVIL ENGINEERS

ROSSIN HOUSE BLOCK

TORONTO

NOVEMBER 2, 1896.

REPORT

—ON—

THE LAKE HAROLD MINE

Location 219 X

SEINE RIVER, ONTARIO

Site and Area.

The property is situated on the west side of Lake Harold, about two miles north of the Seine River. Its area is seventy-six acres.

General Description.

By reference to the plans it will be seen that about half of the area of the property is occupied by swamp, and half by rocky hills upon which the outcrops of the veins are found. There is quite a large quantity of timber upon the location which is suitable for mining purposes, and in addition to this, timber is found upon the shores of the lake of even better quality, which may be utilized for buildings and works in connection with the mine.

The present level of the lake is very little below that of the swampy land of the property, although it has been lowered about five feet by removing boulders and a certain amount of gravel from its outlet near the south-east end. I believe the lake can be still further lowered ten or fifteen feet by a very small expenditure of labor. This would have the effect of drying the swamp to a considerable extent and lessening the water which at present finds its way into some of the workings.

Work Done.

A mill building, containing a five-stamp mill, with Frue vanners and power necessary for running these, is located near the lake shore, as well as an office building and a

camp for the men, two storehouses and stabling for horses. In connection with the mill building, there is also a small saw-mill plant capable of cutting about 7,000 feet of lumber per day. There is also a wooden tramway and two ore cars for bringing the quartz from veins No. 1 and No. 2. This tramway has a length of about 2,500 feet.

There are several veins upon the property, and from four of these the ore which has been put through the mill up to the present, has been taken. These veins are described on the Plan as Shore Vein, Stope Vein, No. 1 and No. 2 Veins. The other veins show prospects of carrying gold in paying quantities, but up to the present have not been developed to any extent. The mill runs from ore taken out indicate that the highest values are obtained from the Shore Vein, while quartz from No. 1 and 2 has averaged about \$10 to the ton.

Accessibility, Transportation, etc.

From Bonheur, on the Canadian Pacific Railway, a winter road runs over a chain of lakes and across several portages which have been cut out wide enough to permit sleigh teams to travel upon. The distance to be covered to reach the mines is about fifty-five miles. Over this supplies and machinery can be taken in. The canoe route starts from the same station on the C.P.R., and for about half the distance runs over the same chain of lakes as the winter route, but the latter part of the journey is through Saw Bill Lake, Moose Lake, Steep Rock Lake and Seine River to the property. Altogether there are about fourteen or fifteen portages, the first being over two miles; the rest are comparatively short, the longest not being over half a mile in length. The cost of taking in supplies in the summer by this route is higher than in winter. The larger part of the supplies should be taken in by sleigh in the winter, and only such necessary provisions, etc., as will not last, taken in in summer. The five-stamp mill, with boilers, engine, saw-mill plant and supplies for one year, was transported at a cost of about \$1,000, and the time occupied in taking this from the track to the mine was four days. One team took three and one quarter tons, except at the last hill, which was steep.

Geological and Mineral Sketch.

The characteristic rocks in this region are granites, more or less altered, and schistose rocks of the Keewatin age. The veins, of which about seven or eight were examined, have all the characteristics of true fissures, and are found chiefly in the granites. The quartz filling these veins is very similar to that found in the Saw Bill and other properties operated in this district. It is well mineralized with iron and copper pyrites and galena; nor is it difficult to obtain specimens showing free gold. The Shore vein was traced for a distance of about 1,000 feet; Vein No. 1 for about 400 feet; No. 2 for about 400 feet. The fissure known as the Tram Vein is similar to those already mentioned, and can be traced for fully 500 feet. The largest vein on the property is about 200 feet from the western boundary, and is from 6 to 12 feet in width. It out-

crops along the side of the hill for about 200 feet, and has a north and south strike. Specimens were obtained from these which showed free gold on panning, but the sampling did not indicate a very high value.

Other veins were observed on the property, but not examined critically.

Samples, Assays and Mill Tes.s.

The samples were taken with the greatest care, and the results are tabulated below:—

Sample No.	Vein.	Part from which Sample was taken.	Extent in Length.	Average Width.	Value per Ton.
1	Tram Vein.	Shaft.	10 feet.	2 feet 0 inches.	\$2.40
2	" "	Outcrop.	50 "	2 " 0 "	Trace
3	No. 2 Vein.	Tunnel.	130 "	2 " 3 "	\$9.64
4	" "	Stope.	25 "	2 " 9 "	7.46
5	" "	Outcrop.	125 "	1 foot 6 "	Trace
6	No. 1 "	Tunnel.	60 "	1 " 6 "	\$9.94
7	" "	Outcrop.	100 "	1 " 9 "	1.20
8	Stope.	Stope Face.	25 "	9 "	1.20
9	Shore Vein.	Drift and Shaft.	90 "	8 "	29.30
10	Big Vein.	Outcrop.	100 "	6 feet to 12 feet.	1.20

From this it will be seen that there are three veins in which pay ore at present exists, viz.: The Shore Vein, No. 1 and No. 2 Veins. Higher assays have been obtained from the Tram Vein, and I believe the probabilities are that this will develop into something better than at present indicated. It is a somewhat singular thing that the assays of the outcrop on the Tram Vein, No. 1 and No. 2 Veins are so uniformly low, while samples from the workings show much higher results.

The following are the mill runs obtained from Mr. Wiley:—

		Ore Crushed.	Yield.	Value per Ton.
1st Brick	No. 2.	60 Tons.	\$ 619 80	\$10 33
2nd and 3rd Bricks	No. 2.	92 "	913 30	9 92
4th Brick		81 "	1,160 27	14 32
5th Brick		80 "	763 09	9 56
6th Brick	Shore Vein.	20 "	647 50	32 37
	Float Ore.
7th Brick	Shore Vein.	4 Tons.	210 34	52 63
8th Brick	" "	20 "	626 30	31 31
9th Brick	No. 1.	112 "	767 47	6 85
10th Brick	No. 2.	62 "	490 27	7 90
Bullion in transit	410 00
Amalgam on hand	325 00
		531 Tons.	\$6,935 54	

Upon analyzing this table it will be seen that 40 tons from the Shore Vein give slightly over \$30.00 per ton, agreeing closely with my sampling No. 9 assay value. The first, second and tenth "runs" which come from Vein No. 2, as nearly as I can ascertain, also agree with Assay No. 3 and 4 of this lead. The 9th run agrees approximately

with Assay No. 6. The average value of the whole "mill run" as per statement is about \$13.00 per ton; this should leave a profit under proper management of \$6.00 or \$7.00 per ton. I was not able to determine accurately the percentage of concentrates which the ore yields, but I estimate them at 3% to 5%. At the lower figure there is probably 10 to 15 tons which is yet in the "tailings" dumps; the value of this would be as per sampling from \$5.00 to \$6.00.

Sample No. 11, Tailings, gave trace of gold.

Sample No. 12, Concentrates, gave \$47.38 per ton.

It is a question if it would be profitable to rehandle the tailing dumps now, as the value does not appear to be over \$1.00 per ton, though if they had been treated as they came from the mill they could have been concentrated for 10 cents per ton, and in that case would have constituted an asset.

I should judge from the results that the ore is 80% to 90% free milling.

Development.

The development that has already been done has demonstrated the value of the property. Upon the "Shore Vein" a shaft 50 feet deep has been sunk, and from the bottom of this a drift run 40 feet to the north. No. 1 Vein has a tunnel 60 feet long and a shaft near its mouth 16 feet deep. No. 2 Vein is developed by a tunnel 130 feet long and a shaft 40 feet deep; some stoping has also been done; a rough plan and longitudinal section of these latter workings accompanies this report. Upon the Tram Vein a shaft was down about 10 feet (now forty). The Stope Vein can hardly be called developed; the ore has simply been gouged out of the hill by means of a deep open cut; the character of the ore in this cut is almost identical with that of the "Shore Vein," and I expected a much higher return from the assay sample.

From development I estimate the amount of ore in sight and its gross and net value as follows:

Vein.	Amount in Sight.	Value per Ton.	Gross Value.	Net Value.
Shore Vein	150 tons	\$30 00	\$4,500	\$3,500
No. 1 "	150 "	9 00	1,350	600
No. 2 "	400 "	9 00	3,600	1,500
Ore bins	20 "	15 00	300	250
	720 tons	\$13 54	\$9,750	\$5 850

NOTE:—"Ore in sight" is that which has been blocked out on three sides at least; for example, exposed on the surface, in the shaft, and in a drift.

There is some ore in the "dump" at the mouth of the tunnel on No. 2 Vein, but the waste rock and decomposed schist were thrown in the same heap, and now it will probably cost as much as stoping over again to get it out. About the same can be said of the dump at No. 1 Vein.

Cost of Mining, Milling, Labor, etc.

The following are the prices for labor, etc., at present:

Underground miners,	\$2.00 to \$2.50	per day of 10 hours.
Surface	" 1.50 to 2.00	" "
Blacksmith	2.50 to 3.00	" "

Engineer, \$3.00 to \$3.50 per day of 10 hours.

Foreman, 2.50 to 3.00 " "

Amalgamator, \$100.00 per month.

Wood for fuel, \$1.50 per cord.

Board and lodging is given the men at \$4.00 per week.

Under present conditions and good management the cost of mining should not exceed \$4.00 to \$4.50 per ton, and milling \$1.50 per ton, making a total cost of about \$6.00 per ton.

The treatment of the concentrates, when enough have been obtained, or the plant has increased in size sufficiently to give a daily output of four or five tons, will cost about \$10.00 per ton of concentrates.

Conclusions.

If handled properly I believe the property will yield good profits. It is badly in need of greater development in order that ore can be obtained in sufficient quantities to keep the mill going. Just now no further machinery is required, with the exception of a large pump for the Shore Vein. The cost of this will not be over \$300 to \$400. I would recommend that the lake be lowered as much as possible by deepening the outlet, and that the work of sinking the shaft on the Shore Vein be pushed ahead, and drifts run north and south at intervals of 100 feet. I would also suggest that the shaft on No. 2 Vein be broken through to the surface and the work of sinking and driving levels be proceeded with. When both these shafts have reached a depth of 100 feet and levels have been run about 100 feet each way on the veins, enough "stoping" ground will have been opened up to keep the mill going. The cost of this will be approximately \$10,000. When this has been expended it will be time enough to put in an additional set of five stamps; the cost of this will be about \$4,000.

The profit to be expected from the "Shore Vein," if its present grade keeps up, is \$22.00 to \$24.00 per ton. No. 2 Vein should give \$4.00 to \$5.00 per ton in profits. Taking the whole mill run average of \$13.00 per ton, the margin should be about \$7.00 per ton; on a mill capacity of 25 tons per day (the average of a ten-stamp mill), this represents a profit of \$175.00 a day, or about \$50,000.00 a year, allowing for accidents, etc.

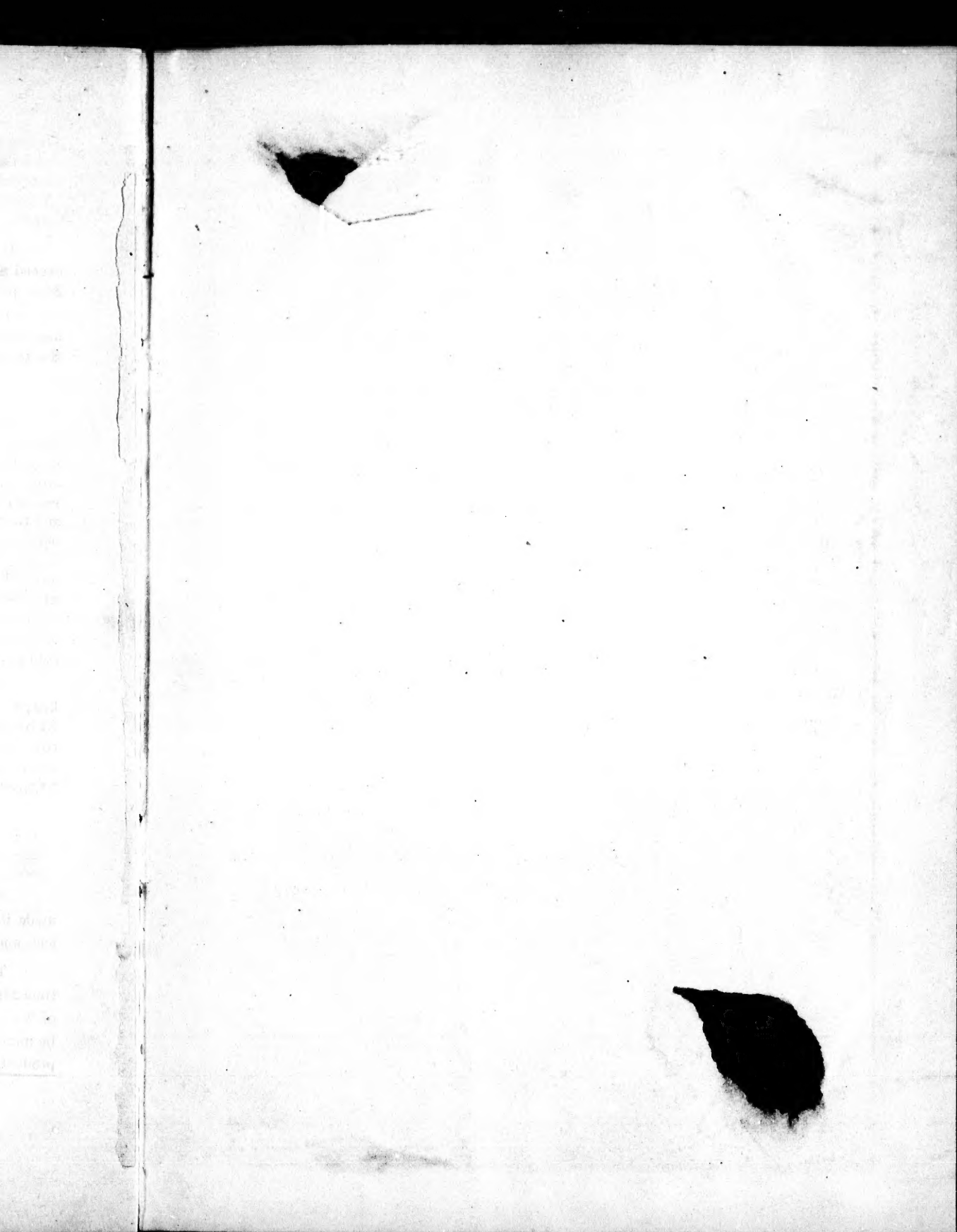
(Signed)

J. H. CHEWETT.

NOTE.—Mr. Chewett's report, although dated 2nd Nov., is upon an examination made in August. Since then a shaft on the Tram Vein has been sunk to a depth of 40 feet, and is pronounced by our own expert to have developed most satisfactorily.

There is also another vein called the Big Vein, which was not discovered at the time Mr. Chewett made his examination. It has been traced by our expert for a distance of 800 to 1,000 feet, and he reports that owing to its situation upon the location, it can be mined at a very low rate; and there should be no trouble to not only increase the production but largely augment the profit estimated by Mr. Chewett.

Æ. J. & CO.



Points

**to be considered
in this
Enterprise**

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**ÆMILIUS JARVIS & CO.,
Toronto.**